

2008-2009 PERFORMANCE PLAN – Portfolio Manager, Fixed Income, Domestic Research (L. Zahorak)

Page 1 of 1

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
40%	CalPERS Internally Managed Corporate Bonds	Net of Fees, excess return in basis points relative to: Internally Managed Corporate Bond Portfolio – CalPERS Corp X Sov {SN5KA1 – CALCOXS2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
30%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: Domestic Fixed Income (FI), Internal – CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
5%	High Yield External Managers	Net of Fees, Excess return in basis points relative to: Aggregate of the external High Yield Managers – CalPERS High Yield Cash Pay {SWXCA1 – CALHYCP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
10%	Lehman Ag Credit	Lehman Ag Credit – Lehman Ag US Credit Index {SKA6 – QF1D}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
85%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<i>Human Resources staff is working with the Interim Chief Investment Officer to develop the qualitative leadership performance measures which will be presented for second reading.</i>	From Schedule
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	